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FISCAL IMPACT REPORT

SPONSOR Carraro DATE TYPED 10/8/05 HB _____

Request that President. Of U.S. request Iraq increase
 SHORT TITLE oil revenues to reimburse U.S. for cost of war. SJM 4

ANALYST Quezada

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Joint Memorial Floor Request the President of the United States to request the Iraqi Parliament to increase oil production in the country of Iraq and to use the revenue generated to reimburse the United States for costs associated with the war.

Significant Issues

The war in Iraq has an estimated cost of (\$5,600,000,000) per month. Iraq has the fourth largest economy in the world, and its economy is reliant on oil exports to generate revenues. The United States has spent two billion dollars (\$2,000,000,000) in restoring the oil industry in Iraq. Iraq is not a stable country and does not have a stable government in place to enact such a request. Recent data reports that insurgency is on the rise and Iraqi military forces are not yet ready to protect the country's oil infrastructures and production. Efforts to rebuild the economy have been interrupted by continued insurgent attacks which have disrupted efforts to stabilize the economy and production of oil. This substantiates the notion that Iraq is unstable and cannot sustain an economy that could generate revenues to pay the United States back at this time.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

The President will not be requested to ask that Iraq reimburse the United States for the cost of the war.

POSSIBLE QUESTIONS

Why would we ask Iraq to reimburse for war damages when other defeated nations have not been asked to pay war reparations?

Would such a request further destabilize the Middle East?

SQ/yr